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The Soviets' "Affluent Society"

Next month the Soviet Union's Communist Party meeting in Moscow will act upon the draft of the new party program in which Premier Khrushchev presents vistas of prosperity:

"The people's standard of living and their cultural standards will improve; everyone will live in easy circumstances; all collective and state farms will be highly productive and profitable enterprises; the demand of the people for well-appointed housing will be satisfied; hard physical work will disappear; the USSR will become the country with the shortest work week."

It is not the intention of *Foreign Agriculture* to comment on this Communist Utopia, but it would like to point out a few facts pertaining to the productivity of Soviet agriculture.

In 1957 Premier Khrushchev proposed to overtake U.S. per capita production of milk and butter in 1958, and meat in 1960-61. Recently he postponed these goals to 1965.

Earlier Mr. Khrushchev had pinned his hopes on corn. "Corn is a powerful crop," he said. "You must believe in corn as you believe in clover."

A glance at Mr. Richard Bell's tables on pages 6 and 7 of this issue shows what happened to Soviet corn. Last year the production of corn for grain in the Soviet Union was only 15 percent of the United States' output.

These tables reveal some other interesting comparisons between Soviet and U.S. farming. Wheat, for example. The Soviet Union produces a much larger crop of wheat than we do but its yields per acre are 11.4 bushels compared to 26 in the United States.

In the case of farm machinery, the Soviet Union has only 23 percent of the tractors that the United States has, a quarter of the motorized farm trucks, and about half the combines.

Sown cropland in the USSR last year totaled 501 million acres as against 329 million in the United States. Yet with this substantially lower acreage and considerably less labor, our annual farm output was approximately 60 percent greater than that of the Soviets.

Cover Photograph

Harvesttime on the Lenin collective farm near Taganrog, in the North Caucasus region of the USSR. Straw, carefully saved for livestock feed, is dumped at regular intervals across fields. In the background is a typical Soviet combine manned by five persons.

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Britain and the Common Market

Before a crowded House on July 31, Prime Minister Macmillan announced that Britain would apply for membership in Europe's Common Market. Some of the problems membership could bring to world farmers are touched on in this article

By P. E. O'DONNELL
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A good many years ago a headline in a London newspaper read "Violent Channel Storm—Continent Isolated." Even though this headline may have been written with editorial tongue in cheek, it provides a vivid description of the relationship between the British Isles and the Continent of Europe as seen from the viewpoint of many Englishmen at that time. During the past 6 months, Parliamentary debate, the daily newspapers, the commercial press, and many other organs of opinion have been full of discussion as to whether or not the United Kingdom should apply for full membership in the European Economic Community, or Common Market. This situation is in striking contrast with that portrayed by the headline.

Now that the decision to apply for membership has been taken, the liveliest question in Britain today relates to the terms on which the six members of the Common Market—France, West Germany, Italy, the Netherlands, Belgium, and Luxembourg—will permit the United Kingdom to join the Community. In political terms alone the issue is one of the most significant faced by the United Kingdom in this century. If membership in the Community is achieved, presumably many political and economic decisions affecting the United Kingdom will be made by joint agreement of Foreign Ministers or Heads of State rather than by the Queen's Ministers and the Parliament.

EEC Farm Policy

France, Italy, and the Netherlands expect the Common Market to provide a larger market for their farm and horticultural products. Since the United Kingdom is the largest European importer of such products, its accession to full membership would provide a significant expansion in this market. Under the current EEC arrangements, the United Kingdom would be required, after a transitional period, to accept, on a tariff-free basis, the farm products of other EEC countries; restrict, if necessary, imports from third countries; and accept the common price and marketing arrangements adopted by the Community. Unless the United Kingdom can negotiate special arrangements for its Commonwealth partners, these will become third-country sellers subject to the limitations described above. The United States, a major supplier of agricultural commodities to the United Kingdom, will also, of course, become a third-country seller in this context.

The shelter afforded by the Common Agricultural Policy will probably be implemented, if current plans are realized, through imposition of variable levies or taxes upon imports of many agricultural commodities. Eventually, common prices for agricultural commodities will be realized in the Common Market. The variable levies will be designed to equalize the lower prices of agricultural commodities from the outside world with the higher common prices within the Community. By and large, though there are some conflicting interests among farmers in different countries of the Community—such as, for example, grain and livestock producers in West Germany as opposed to similar producers in France and the Netherlands—they all will have a common interest in seeking protection from outside competition.

It remains to be seen, first, what the common level of agricultural prices in the Community will be, and secondly, what derogations from the provisions of this Common Agricultural Policy the United Kingdom negotiators will be successful in obtaining for Britain's Commonwealth partners. It appears to be generally agreed that the interests of British farmers can be adequately protected, with the possible exception of horticultural producers.

The problems involved in consolidation in EEC of the U.K. market for tropical and semitropical products are sharply different from those involved in the United Kingdom as a market for products of Temperate Zone agriculture. Presumably, in its negotiations for membership in the Common Market the United Kingdom will attempt to obtain preferential treatment for the export products of those tropical and semitropical countries which are associated with the United Kingdom in the Commonwealth. If the United Kingdom should be successful in this negotiation, these members of the Commonwealth will fare better than such Temperate Zone countries as Australia, New Zealand, and Canada, whose major agricultural exports will come into direct competition with grain produced in France, fruit produced in Italy, and livestock products produced in France, Denmark,[1] the Netherlands, and Belgium.

Indeed, the situation is worse than this, for, unless the United Kingdom negotiators succeed in obtaining policy exceptions for its Temperate Zone Commonwealth partners, the United Kingdom market will be available to them only over barriers erected as a consequence of implementa-

[1] This assumes Danish accession to the Community if the United Kingdom becomes a member.

tion of the Common Agricultural Policy. Indigenous agriculture among members of the Community can be expected to gain at the expense of third countries outside the group.

U.S. Agriculture

From the standpoint of U.S. agricultural export interest, not only is the United Kingdom the world's largest importer of agricultural commodities, but it is also the largest single consumer in the world for U.S. agricultural exports. A few statistics will illustrate this point.

The United Kingdom normally accounts for somewhat more than 10 percent of world imports of wheat. It has been estimated that the United States normally supplies about one-sixth of United Kingdom wheat imports. The United Kingdom is one of the largest feed grain importers in the world, accounting for between one-sixth and one-seventh of total world imports of feed grains. By and large the United States supplies nearly one-half of total feed grains imports into the United Kingdom. In addition, the United Kingdom has accounted for about one-third or more of total world lard imports. Of this amount the United States generally supplies more than one-half. In addition, the United Kingdom takes very large quantities of U.S. cotton and tobacco.

If the United Kingdom becomes a full-fledged member of the EEC, U.S. exports of several important agricultural commodities to the United Kingdom will, as a result of encountering the import arrangements of the Common Market, suffer a reduction either in volume or in price or both. This will follow from the application of the variable import levies (implemented as may be necessary by import licenses) which are a supporting feature of the proposed Common Agricultural Policy of the Community.

This is certainly not an encouraging feature insofar as U.S. agricultural exports are concerned. Nevertheless, the U.S. Government has expressed support for the Common Market on the basis that the overall interest of the United States lies in a strong and expanding Common Market in Europe. It should be noted, however, that cotton, oilseeds, and to a lesser extent tobacco and fruit will not be as seriously affected as will wheat, feed grains, and livestock products.

EFTA

A major problem involved in any negotiations for United Kingdom accession to the Common Market lies in United Kingdom membership in the EFTA. This Association, the European Free Trade Association, consists of the United Kingdom, Denmark, Norway, Sweden, Switzerland, Austria, and Portugal. Recently, Finland obtained limited membership.

The EFTA differs from the EEC in several respects. It has no common external tariff, whereas the EEC is in process of developing one. The EEC agreement, moreover, covers many economic areas which have no counterpart in the Stockholm Convention, the vehicle through which EFTA came into existence. The Rome Treaty calls for a Common Agricultural Policy, harmonization or outright standardization of relative wages for men and women, free movement of labor and capital, unfettered right of business establishment, and eventual standardization of unemployment and retirement benefits. In short, the Common Market aims at the establishment of a great internal free market for goods, labor, services, capital, and coordinated transport similar to that provided by the 50 States of the United States.

Since EFTA's formation 2 years ago, three successive tariff reductions, of 10 percent each, on nonagricultural commodities have been put into effect among the members. This corresponds to a similar reduction among members of the Common Market. It has been the hope of several members of EFTA that the entire organization could negotiate limited association with the Common Market dealing chiefly with economic policies and trade matters. Undoubtedly, such a joint negotiation, if agreed to by the EEC, would permit much greater bargaining strength on the part of EFTA than that which could be exercised by any single member. Indications are, however, that the EEC will require negotiations by individual countries rather than any group bargaining. The United Kingdom will undoubtedly provide whatever assistance it can to its fellow EFTA members in negotiating with the EEC.

Economic Interests

Differences of opinion in the United Kingdom on the question of accession are naturally related to economic as well as political interests. Chief among these are Britain's trade relations with the far-flung members of The Commonwealth, domestic manufacturing, and domestic agricultural interests.

Commonwealth trade preferences have long been established, and any serious interference with them will bring forth the most vigorous protests from those members of The Commonwealth most directly concerned. Three broad categories can be established under this heading. One is the interest of Commonwealth manufacturers in the United Kingdom market. A second is the trade interest in the United Kingdom market of those Commonwealth members who export tropical and semitropical agricultural products. A third is that of exporters of Temperate Zone farm commodities. The first is probably the least important of the three and may be of major interest only to Canada among the Commonwealth countries. India, Pakistan, and Hong Kong are also concerned.

The difficulties involved in negotiations for United Kingdom accession to the Community are so great as to raise the question whether such accession can be successfully achieved. Nevertheless, there are powerful forces and interests pressing for membership.

One of these forces is the more or less chronic balance of payments difficulty which has been experienced by the United Kingdom over the past 15 years. There are some dynamic, highly competitive export manufacturing industries in the United Kingdom, but there is not enough investment in expansion of scale, cost-cutting innovations, development of new products, and the like to indicate that the balance of payments problem will be solved. It may be that the only prescription which will be effective in this respect is exposure of United Kingdom industrial firms, on the one hand, to the vigorous and dynamic competition from its new Common Market partners and, on the other, to free access to a market of 170 million.

A Swiss housewife picks a "USA Poulet" from her supermarket freezer chest. The popularity of U. S. poultry products is stimulating domestic production.

U. S. Poultry Exporters Face New Competition from Swiss

By KENNETH L. MURRAY
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Swiss housewives have been quick to respond to the convenience, quality, and economy of U.S. poultry, and the U.S. broiler industry enjoys an excellent market in Switzerland.

In 1960, 23 million pounds of American poultry (fresh and frozen, predominantly frozen broilers) valued at $7.5 million were shipped to the tiny Alpine country, whose population only slightly exceeds 5 million. Last year Switzerland was the second largest importer of U.S. dressed poultry. (West Germany was first, buying 80 million pounds.) The United States supplied almost two-thirds of Swiss imports of dressed poultry; the Netherlands and Denmark, most of the rest.

No developed broiler industry exists in Switzerland at present but plans are being made for one by a large Swiss retail chain and a firm which operates a mixed-feed and hatchery business. The officials of these organizations believe that by using improved breeding flocks and modern methods of hatching, raising, and processing, it would be possible to compete with imports of low-priced American broilers. Currently, the bulk of Swiss poultry production (less than one-third the amount imported in 1960) comes from small flocks kept mainly for egg production. In 1958 there were 1,330 poultry flocks exceeding 150 hens and only 6 with more than 6,000 hens.

The Swiss group plans, within 2 years, to set up 700 broiler units, all on small farms, with flocks of 3,000 to 3,500 birds. Each unit is to produce 4 batches of birds per year or 12,000 to 14,000 broilers. A 3,000-bird pilot demonstration unit equipped with all the latest labor-saving devices has already been installed on a Swiss farm. Additional units will be set up just as soon as all the problems of the pilot operation are solved. In carrying out this plan, the sponsors will achieve a certain degree of vertical integration, with the chain store providing processing facilities and a guaranteed market and the feed and hatching organization taking responsibility for production and providing the technical knowledge and supervision.

Factors that might deter carrying out the broiler project are mainly high feed costs and the heavy capital investment required. The domestic producers must rely chiefly on imported feed grains and these are very expensive because of price supplements imposed by the government. Feed grain prices alone add enough to production costs to make it very difficult for Swiss poultry farmers to compete with low-priced American imports selling at 50 to 55 cents a pound. The Swiss Government could alter the import policy for feed grains to the advantage of domestic poultry producers, but this would require an extensive review of Swiss agricultural policy.

Sponsors of the broiler project apparently are confident that the large capital requirements can be met. It is expected that each of the 700 new broiler units will cost about $11,500, a total cost of over $8 million. In addition to this, the chain store proposes to establish a processing plant. Their integrated operation may enable the sponsors to offset the disadvantage of higher feed costs.

How will these developments affect U.S. poultry exports to Switzerland? For some time, it has seemed inevitable that we would meet strong competition from Swiss farmers but we did not expect it so soon. If the broiler project is carried out on schedule, domestic poultry production will, in a few years, triple the 1960 level. This would mean an increase about equal to the 1960 level of imports from the United States. If this goal is reached and the present level of imports is to be maintained, per capita consumption of poultry meat will have to climb from about 8.8 pounds in 1960 to 14 pounds by 1963 or 1964. (U.S. per capita consumption was 35 pounds in 1960.) Such an increase in consumption is possible if the retail price of poultry is held down.

If Swiss domestic broiler production expands sufficiently, it could eventually replace imports. In this case U.S. farmers might hope to substitute exports of feed grains for broiler exports.

How Soviet Agriculture Compares With Ours

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Soviet leaders for a number of years have been prophesying that within a short time the USSR would surpass the United States in agricultural production. Such claims have aroused considerable interest around the world in how the two agricultures—the Soviet Union's and ours—compare. On these two pages are tables that tell at least part of the story.

The crop and livestock production statistics for the Soviet Union, unless specified as official Soviet figures, are those computed or adjusted by analysts in the U.S. Department of Agriculture to conform with U.S. commodity reporting and to eliminate Soviet overstatement of production.

The United States and the USSR utilize different combinations of resources and different organizational structures to achieve their respective levels of farm output. We use much less labor and land, but substantially more capital than the Soviet Union to produce, on the average, approximately 60 percent more annual farm output. Our agriculture is characterized by many individual farm units producing for a market economy. In the USSR, land is nationalized, and agricultural production is guided by central state planning, operating through a complex of large-sized collective and state farms.

The Soviet Union is situated much farther north than the United States. This latitudinal position, coupled with great distance from sources of moisture, has resulted in the severity and dryness of the Russian climate, which has been a more limiting factor to expanding farm output than land or soil.

The farm problem of the USSR is diametrically opposite that of the United States. For the present, our major agricultural problem is that of controlling farm surpluses, while the Soviet Union is straining to meet basic food requirements, and shortages, especially of animal products, often recur.

While the total calorie intake of food in the two countries does not differ greatly, the structures of their respective diets are vastly different. By Western standards, the Soviet diet is monotonous and heavily overladen with starchy foods. Soviet consumption is low for meat, milk, eggs, fruits, and vegetables. Also, the Soviets have less edible fats and oils available.

Comparing Soviet farms to U.S. farms is somewhat difficult, yet the following statistics as to numbers, size, and farm workers do convey some of the differences that exist:

Farm numbers 1960:	
All U. S. farms[1]	3,700,000
U. S. commercial farms[2]	2,400,000
Soviet collective farms	33,400
Soviet state farms	6,500
Farm size, average in 1960:	*Acres*
Land area per U. S. farm	302
Sown area per U. S. farm	89
Land area per U. S. commercial farm	[3]409
Sown area per U. S. commercial farm	([4])
Sown area per Soviet collective farm	6,785
Sown area per Soviet state farm	22,485
	Number
Workers per U. S. farm	1½
Workers per U. S. commercial farm	([4])
Households per Soviet collective farm	386
Workers per Soviet state farm	753

[1] According to the definition of a farm used in the 1959 census of agriculture.
[2] Includes all farms with value of farm products sold totaling $2,500 or more and also farms with sales of $50 to $2,499 provided that the operator was under 65 years of age and he did not work off the farm 100 days or more and the income of the operator and members of his household from nonfarm sources was less than the total value of farm products sold.
[3] Unofficial tentative estimate.
[4] Not available.

Agricultural Resources

Item	Year	Unit	United States	Soviet Union	USSR as % of U.S.
Population	Jan. 1961	Mil.	182	216	119
	Jan. 1959	do.	173	209	121
Labor force	1959	do.	[1] 69.4	[2] 106.4	153
Farm labor force	1959	do.	7.4	[2] 48.3	653
Percent farm of total labor force	1959	Pct.	10.7	45.4	—
Sown cropland	1960	Mil. acres	329	501	152
Sown cropland per capita	1960	Acres	1.8	2.3	128
Tractors on farms	1960	Thous.	4,770	1,090	23
Motor trucks on farms	1960	do.	3,110	776	25
Grain combines on farms	1960	do.	1,065	526	49
Agr. consumption of electricity	1959	Bil.kwh.	[3] 26.9	[4] 8.4	31
Primary com. fertilizer consumption, in terms available nutrients	1959	Mil. tons	7.4	2.6	35

[1] U.S. Department of Labor figure. [2] Includes members of collective-farm households and others workers' families engaged in individual and subsidiary agricultural production. [3] *Electric Utilities and Industry Statistical Bulletin,* Edison Electric Institute.

Yields Per Acre

Crop	Year	Unit per acre	United States	Soviet Union	USSR as % of U.S.
Corn for grain	1960	Bu.	54.5	21.7	40
Wheat	1960	do.	26.0	11.4	44
Rye	1960	do.	19.7	12.7	64
Oats	1960	do.	43.3	23.7	55
Barley	1960	do.	31.0	18.7	60
Grain sorghum	1960	do.	41.3	([1])	—
Rice	1959	Lbs.	3,369	[2] 1,324	39
Cotton lint[3]	1960	do.	448	610	136
Soybeans	1959	Bu.	23.7	[2] 7.3	31
Sunflowerseed	1960	Lbs.	([1])	[2] 816	—
Flaxseed	1959	Bu.	9.1	[2] 3.4	37
Sugar beets	1960	Tons	17.2	7.5	44
Tobacco	1959	Lbs.	1,559	[2] 1,017	65
Makhorka	1959	do.	([1])	[2] 1,287	—
Potatoes	1960	Cwt.	184.3	[2] 82.4	45

[1] Not available.
[2] Official Soviet figure.
[3] All cotton in the USSR is grown on irrigated land; only 25 to 30 percent of all the U.S. harvested cotton acreage is irrigated, yet this irrigated acreage produces 40% of the cotton production.

Crop Acreages

Crop	Year	United States	Soviet Union	USSR as % of U.S.
		1,000 acres	*1,000 acres*	*Percent*
Corn for grain	1960	[1] 71,443	[2] 27,700	39
Wheat	1960	51,859	148,500	286
Rye	1960	1,652	40,800	2,470
Oats	1960	26,554	35,800	135
Barley	1960	13,763	23,500	171
Grain sorghum	1960	15,444	([3])	—
Rice	1959	1,586	237	15
Cotton	1960	15,309	5,350	35
Soybeans for beans	1959	22,631	1,124	5
Sunflowers	1960	([3])	10,353	—
Peanuts grown alone	1960	1,542	([3])	—
Flaxseed	1959	2,932	4,571	156
Hemp	1959	([3])	877	—
Sugar beets	1960	957	7,500	784
Sugarcane, all	1960	342	—	—
Tobacco	1959	1,153	247	21
Makhorka	1959	—	128	—
Potatoes	1960	1,397	22,486	1,610
Sweetpotatoes	1960	203	—	—
Vegetables	1959	[4] 3,482	3,627	104
Citrus	1959	[5] 778	([3])	—
Other fruits and berries	1959	[5] 1,796	[5] 4,537	253
Tree nuts	1959	[5] 250	—	—
Tea	1959	—	154	—

[1] More than 9.2 million additional acres were harvested for other uses.
[2] Nearly 42 million additional acres were harvested for silage and fodder.
[3] Not available.
[4] Area of commercial crops of principal vegetables.
[5] Bearing acreage.

Crop Production

Crop	Year	Unit	United States	Soviet Union	USSR as % of U.S.
Corn for grain	1960	1,000 bu.	3,891,212	[1] 600,000	15
Wheat	1960	do	1,350,339	1,700,000	126
Rye	1960	do	32,491	520,000	1,600
Oats	1960	do	1,150,774	850,000	74
Barley	1960	do	427,018	440,000	103
Grain sorghum	1960	do	637,673	([2])	—
Rice	1959	1,000 tons	2,720	[3] 157	6
Cotton, lint	1960	1,000 bales	14,272	6,800	48
Cottonseed	1960	1,000 tons	10,353	3,265	32
Soybeans	1959	1,000 bu.	533,175	[3] 8,230	2
Sunflowerseed	1960	1,000 tons	([2])	[3] 4,222	—
Peanuts	1960	do	892	([2])	—
Flaxseed	1959	1,000 bu.	31,101	[3] 15,550	50
Hempseed	1959	1,000 tons	([2])	[3] 34	—
Sugar beets	1960	do	16,421	56,000	341
Sugarcane	1960	do	7,721	—	—
(Sugar production) (1960-61)		(1,000 tons)	[4] (5,259)	[5] (7,259)	(138)
Tobacco	1959	1,000 lbs.	1,960,373	[3] 251,328	13
Makhorka	1959	do	—	[3] 165,347	—
Fiber flax	1960	1,000 tons	([2])	[3] 470	—
Hemp fiber	1959	do	([2])	133	—
Potatoes	1960	1,000 cwt.	257,435	[3] 1,851,889	719
Sweetpotatoes	1960	do	15,636	([2])	—
Vegetables	1959	1,000 tons	[6] 19,046	[3] 16,285	86
Citrus	1959	do	8,065	([2])	—
Other fruits and berries	1959	do	10,068	[3] [7] 5,722	[8] 32
Tree nuts	1959	do	216	([2])	—
Tea	1959	do	—	[3] 161	—
Hay, all	1959	do	113,650	[3] 88,674	78

[1] Including some corn harvested in the milk stage for silage.
[2] Not available.
[3] Official Soviet figure.
[4] Centrifugal sugar (raw value) of which 47% from continental beet, 12% continental cane, 21% Hawaiian cane, 20% Puerto Rican cane, and a small amount of cane from Virgin Islands of U.S.
[5] Centrifugal sugar (raw value), all beet.
[6] Total commercial production only.
[7] Includes citrus.
[8] Share USSR total fruit, including citrus, and berries is of U.S. total fruit, including citrus and berries.

Livestock Numbers

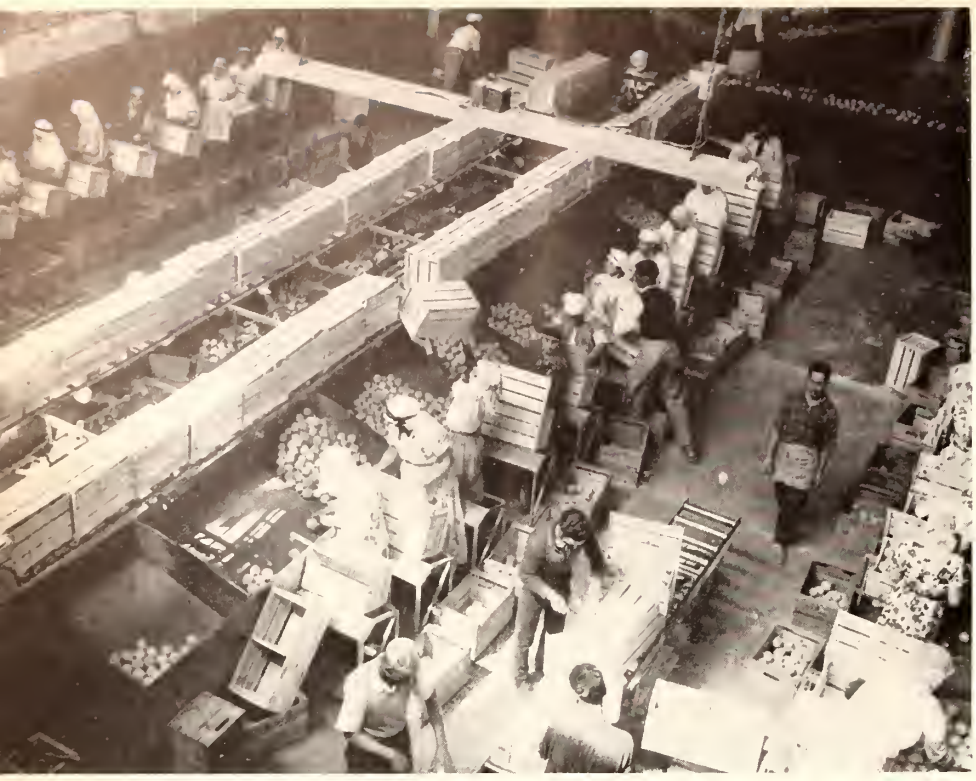
Kind	Year[1]	United States	Soviet Union[2]	USSR as % of U.S.
		Millions	*Millions*	*Percent*
All cattle	1961	97.1	75.8	78
Cows[3]	1961	[4] 19.3	34.8	180
Hogs	1961	55.3	58.6	106
Sheep	1961	32.9	132.9	404
Horses	1960	3.1	11.0	355
Poultry	1960	[5] 372.5	530.4	142

[1] Beginning of year.
[2] Official Soviet figures.
[3] Included in all cattle numbers.
[4] Two years old and for milk.
[5] Chickens and turkeys.

Production of Livestock Commodities

Commodity	Year	Unit	United States	Soviet Union	USSR as % of U.S.
Beef and veal	1960	Mil. lbs.	15,833	5,261	33
Pork[1]	1960	do	11,630	6,253	54
Mutton, lamb, and goat meat	1960	do	768	2,035	265
Poultry meat	1959	do	6,301	[2] 1,612	26
Horse meat	1959	do	([3])	[2] 430	—
Lard	1960	do	2,568	[4] 1,170	46
(Margarine and shortening)	(1959)	(Mil. lbs.)	(3,861)	[2] (996)	(26)
Tallow and grease	1960	Mil. lbs.	3,827	410	11
Milk (from cows)	1960	do	122,920	112,500	92
Butter	1960	do	1,479	[2] 1,870	126
Eggs	1960	Billions	61.4	[2] 26.4	43
Wool (greasy basis)	1960	Mil. lbs.	300	776	259

[1] Excluding lard and unrendered pork fat.
[2] Official Soviet figure.
[3] Not available.
[4] Includes unrendered pork fat in terms of lard; calculated from pork production.



Late crop oranges being packed at Casablanca are part of 22,695 metric tons of fruit sent in 1960-61 to the USSR, Morocco's fourth-largest market in Europe. Considerably smaller quantities go to six other Soviet Bloc nations.

By WILLIAM GORDON LOVELESS
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Moroccan Citrus Exports Double

Moroccan citrus exports to European markets are mounting. This year's expected export of more than 345,000 metric tons to Europe is larger than the United States' total world-wide citrus exports in 1959-60. Since Western European countries are the United States' second most important market, Morocco's increasing inroads in this area are of real interest to U.S. growers.

Expected to reach alltime highs in the 1960-61 season, Moroccan citrus exports will more than double those of 5 years ago. They are expected to double again in another 5 years, when newly planted orchards have come completely into production.

Over the past 20 years, citrus exports have risen steadily. In 1941, Morocco sold only 16,500 metric tons abroad. Exports grew to 106,400 tons by 1951 and to 159,000 in 1956.

Citrus, by 1960, accounted for about 10 percent of all Moroccan foreign exchange earnings. Moroccan citrus represented 15.5 percent of all citrus moving to Western and Eastern Europe from the Mediterranean and ranked third in volume after Spain and Israel.

Orange and lemon production in Morocco dates back at least to Roman times, but for many centuries culture of these fruits was confined to the gardens of wealthy city dwellers. At the opening of the 20th century, less than 2,500 acres were devoted to citrus crops and the number of bearing trees was less than 250,000.

A Fruitful History

During the early years of the French Protectorate (1912-56), little attention was given fruit culture, because most of the new settlers from France were inexperienced in citrus growing. In addition, capital was not plentiful and crops with quick monetary return were preferred.

It was not until the decade between 1920 and 1930 that the groundwork for the present-day Moroccan citrus industry was laid. By 1928, 1,500 acres of commercial orchards had been planted; 500 acres were in production. Fruit and vegetable exports reached 30,000 tons in 1930. Two years later, Morocco recognized the potential importance of the new export crops and set up L'Office Cherifien de Controle et d'Exportation—Office of Control and Exportation (OCE)—to regulate export quality and methods.

Growth at first was slow and no more than 30,000 acres had been planted by 1940. At the beginning of World War II, European farmers had 21,250 acres under production, Moroccan owners about 8,750. Growth accelerated rapidly after the war, particularly between 1950 and 1956—the year of independence from France.

Contrary to some reports, the European rate of planting did not level off immediately after independence, but went on at about the same rate until 1958. At this point, 97,745 acres were under European ownership and 29,400 acres under Moroccan. Since then, more and more plantations have become Moroccan-owned.

Meanwhile, citrus growing has received increasing emphasis. Orchards have been planted on newly irrigated land; the government has subsidized new nurseries and passed regulations to promote citrus growing.

Orchard area in or near full production in 1961 is about 87,500 acres. Another 42,500 acres of young citrus

trees should come into full production during the next 4 years.

PROJECTION OF MOROCCO'S CITRUS PRODUCTION, 1965

	1958	Expected 1965	Increase
	1,000 metric tons	*1,000 metric tons*	*Percent*
Morocco	371	550	48.2
Algeria	343	470	42.0
Italy	741	850	14.7
Israel	357	660	81.8
Spain	1,272	1,550	21.8
Total, or mean	3,084	4,080	32.8

Source: *Notes Marocaines* No. 13, 1960.

The citrus crop year begins in October when the Clementines, a tight-skinned, tangerine-like variety, come on the market. They are followed in November by Navel oranges and in December by grapefruit, other oranges, tangerines, and lemons. By February, the later native oranges, the blood-oranges, and the beginning of the late-crop Valencias are in the market and the peak of the shipping season is reached. Lemons are irregular in season depending on the area in which they are grown.

Early and Late Crop Stressed

Moroccan orange growers have concentrated on earlier and later fruit to avoid direct competition with the mass of midseason Spanish exports. The early varieties capture a premium market in Europe, particularly those from the more recently developed Souss Valley, south of the High Atlas. This area is relatively free of the insect pests prevalent in the Mediterranean part of the country above the Atlas ranges. This advantage is offset somewhat, however, by the hazard of locust invasions, one of which completely destroyed the crop in 1954 by defoliating the trees in this area.

The location of citrus plantations in Morocco depends more upon water resources than any other factor, including the type of soil. In fact, greater consideration of soil capability might have prevented some plantation failures, or near failures. In some irrigated sections, soil salinity is a limiting factor to yield and usable acreage.

A study made in 1956 comparing cost distribution of Moroccan and U.S. citrus shows that Morocco devotes a relatively large percentage of the sale price to production and transportation.

Domestic demand and resultant high prices for fresh fruit have been the principal reasons for the slow growth of the fruit processing industry. Morocco has 8 well-equipped factories for the production of canned fruit juices, with an annual capacity of 11,500 tons. But in 1960 the local market consumed only 5,000 tons of canned fruit juices and, in the export market, Moroccan factories have so far been unable to compete in price. No matter what quality of fruit is used, the factories find their price in European markets is almost double the price of competitive U.S. brands. Despite this cost situation, the industry is studying processing techniques, including freezing and concentration, as possible future outlets for citrus production in excess of the market demand for fresh fruit.

Packing of fresh fruit is done in modern stations: 100 are private enterprises and 7 are regional cooperatives. Their combined capacity is about 3,000 metric tons per day and several new additions under construction will further increase output.

Export and domestic demand for Moroccan citrus continues to mount rapidly. Sales to non-franc countries in 1960 rose 34 percent and sales to France increased 9 percent over the preceding year. Domestic use of fresh fruit rose from 60,000 tons in 1958 to 86,693 tons in 1960.

Moroccan growers and packers are highly organized. Two associations, Association Syndicale des Producteurs d'Agrumes (ASPAM), and Association Primeurs Exports (APRIMEX)—together with the Syndicat des Importateurs et Exportateurs de Fruits et Légumes—maintain committees to work with the government regulatory agency, OCE. The growers and packers contribute a voluntary 250 francs per ton to an advertising fund designed to use TV and other media in Europe to develop new markets.

Though in the past, market development has concentrated almost exclu-

Right, an elevated irrigation canal and below, a portable pump bring to Moroccan citrus trees the water so vital to the industry.

sively on Western Europe, the industry is now drawing a definite bead on markets in Eastern Europe and Asia.

New Look for Markets

Since 1949, the Moroccan citrus industry has participated actively in the Comité Permanent de Liaison de l'Agrumiculture Méditerranéenne (CLAM)—Mediterranean Citrus Liaison Committee—a sort of super-committee to coordinate and promote the interests of the citrus industry of all Mediterranean Basin countries. Other members, by 1959, were Algeria, Tunisia, Spain, Cyprus, France, Greece, Israel, Italy, Portugal, and Turkey.

The citrus industry has expanded appreciably in all these countries. This growth—particularly notable in Morocco, Algeria, and Israel—engenders a very real problem for the industry in the not-too-distant future: Saturation of available markets. A proposal made at the Fifth International Congress of Mediterranean Citrus Growers in 1959 to maintain prices by halting citrus planting for 3 years was voted down. Nevertheless, the problem is likely to increase, particularly if Mediterranean growers achieve the output indicated by projecting production to 1965.

The determining factor will be the industry's success in marketing these increased yields at home and abroad. This will also determine how much more competition Mediterranean citrus will offer U.S. production—specifically that of Florida—in the next decade.

U. S. a Major Market for Eastern Dates And a Producer-Exporter As Well

The United States has always been a large importer of dates, produces about as much as it imports, and is also a minor exporter. Even with their more efficient production methods, American growers have a hard time competing with the lower priced imported product.

These dates come into the United States primarily from Iraq and Iran, two of the world's three leading producers. The other is Algeria and, among them, the three produce about 95 percent of the dates moving in world trade. Iraq is the giant among the three, accounting for approximately 75 percent of the dates these countries produce.

Trade fluctuates wildly from year to year but has shown an overall increase of about 37 percent in the last quarter of a century, going from 241,000 tons a year to 331,000.

Iraq's annual export crop usually averages about 275,000 tons a year. A large portion of its higher quality dates has always come to the United States, the leading importer of high-quality Iraqi dates: Close to 13,000 tons in 1959-60 and more than 13,000 in the first 8 months of 1960-61. Twenty-five years ago, the United States bought even more. The 1934-38 yearly average approached 23,000.

From a volume standpoint, however, India is far and away Iraq's biggest customer. It imports around 70,000 tons of dates each year and sometime considerably more. Syria and Egypt also purchase large amounts. These dates are, for the most part, a low-quality product, neither cleaned nor fumigated, and shipped in large woven baskets.

Since Iraq's "Blessed Revolution" in 1958, there has been a large decrease in the volume of high-quality dates that country exported, partly because the foreign packaging operations have been nationalized. Still, dates are second only to oil as a source of foreign exchange in Iraq, and last year's entire exportable surplus was sold at or above the Iraqi support price.

With Iraqi supplies cut, the United States has become a large Iranian market. However, the tiny Arabian sultanate of Oman is, in terms of volume, the major importer of Iran's crop, accounting for more than one-third of the 30,700 tons Iran exported in 1958-59. (Oman dates are similar in quality to those Iraq sells to India.) The United States was second with 6,400 tons and the Soviet Union, buying 4,500 tons, was third. Iranian exports to both the United States and the Soviet Union have been expanding in the past few years.

Algeria's date production has nearly doubled in the past 25 years but the actual amount produced is still small—21,000 tons in 1960. Almost all this goes to Metropolitan France whence it is exported, mainly to Western Europe, with Britain taking about half.

Trade in dates may fluctuate from year to year but the industry still follows its age-old production methods. In sharp contrast are the large owner-operated plantations in the irrigated Coachella Valley, Imperial Valley, and other parts of California, with their efficient facilities for fumigating and cleaning dates before sending them to packing houses. The United States produces only about as much as it imports, however, and exports a very small amount, which goes mostly to Canada and West Germany.

A COMPARISON: CITRUS EXPORTS TO EUROPE BY MOROCCO AND THE UNITED STATES

	Morocco			U.S.
	1958-59	1959-60	1960-61[1]	1959-60
	m.t.	*m.t.*	*m.t.*	*m.t.*
France	138,246	151,439	158,135	20,895
West Germany	65,942	72,774	86,598	8,287
Holland	10,483	14,498	20,835	24,077
Benelux	776	1,852	1,510	17,270
Denmark	760	130	50	2,412
Norway	807	661	684	4,483
Sweden	212	573	1,584	4,660
Finland	745	1,294	1,467	1,040
U.K.	7,590	12,553	25,135	8,736
Switzerland	—	132	20	2,331
Total	225,561	255,906	296,018	94,191

[1] October 1 to May 31 only.

Note: Morocco's total world exports include these shipments to Soviet Bloc and other countries: 13,682 metric tons in 1958-59; 30,454 tons in 1959-60; and 44,924 tons in 1960-61.

Total U.S. exports in 1959-60 were 343,307 metric tons, representing about 10 percent of U.S. output. U.S. shipments to European countries in above table are assumed to include transshipments to Bloc countries.

Source of Moroccan figures: *Maroc Fruits*

Free Ports of the World

For more than 400 years free trade areas have helped goods and produce pass more freely between nations and continents.

The Middle Ages had ended. At Leghorn, Italy, the merchants congratulated one another on their growing trade. Scores of vessels came and went in the busy harbor. Look-out towers at the harbor's mouth, which once guarded the city against Mediterranean pirates, now housed the customs officials who inspected and levied taxes on each vessel's cargo. The canny gentlemen of commerce decided customs might be more hindrance than help, and thereupon, in 1547, decreed Leghorn a free port—the world's first.

Now, 400 years later, there are over 100 free ports in 35 countries around the globe, though the modern type of free-trade zone has existed for only 80 years. They go by different names, vary in facilities offered and laws governing their use—though all conform to certain laws on health, labor conditions, inspection of vessels, immigration and postal service.

In the United States they are called Foreign Trade Zones. There are four: New York—the world's largest—New Orleans, San Francisco, and Seattle. Since 1950, largely as a result of legislation permitting exhibition and manufacturing within their boundaries, these U.S. zones have been among the most liberal in the world.

Varied Names and Facilities

Copenhagen is known as a free port, as are Hong Kong, Gibraltar, and Arrecife in the Canaries. In Argentina, Buenos Aires and Rosario are entrepôts for Bolivia and Paraguay. This is an arrangement whereby a coastal country allows duty-free passage of goods to and from countries lacking adequate ports.

Shannon Airport is a free zone; so are Beirut and Colon, Panama. Mexico has some free ports; others are called free perimeters which give special economic benefits to certain areas. Spain has 3 zones and 28 free depots which offer fewer privileges than a zone.

Antwerp and Ghent in Belgium, and Amsterdam and Rotterdam in the Netherlands, though technically not free zones, have so liberalized their regulations on bonded warehouses and the transshipment of cargo that they approximate the facilities of free zones. Rotterdam, in fact, calls itself "freer than a free port."

By whatever name they are known, all have basically the same purpose—to encourage trade by providing a segregated area where goods may be unloaded, stored, processed and displayed unhampered by customs formalities. Most free areas do one or all of these.

Lower Cost

An American chewing gum manufacturer has his factory in the free zone at Arica, Chile. Raw materials from South American countries are delivered to him free of duty and it is only when the finished product leaves the zone that it becomes dutiable

A midwestern U.S. importer of hardwood lumber uses the New Orleans Foreign Trade Zone to grade, sort, and size the lumber and has now built in the zone a kiln for drying. Transportation costs are cut, and duties are lower on dried lumber.

The New Orleans zone, for instance, has a vacuum fumigation plant used by importers and exporters of cotton products, seeds, beans, and so on.

Brazil nuts are unloaded in bulk direct from shipside into permanent storage at the New York zone. Automatic machines pick out lightweight or broken nuts, and other discards. Culls are destroyed and customs duty is paid only on sound first-class nuts. Also, customs are not paid until after the curing and drying which take 20 percent from the weight. The nuts are packaged for sale right on the spot, which affords still another saving.

Hong Kong is an outstanding example of the more traditional type of free-trade area. It provides all types of financial, warehousing, and distribution services for a large number of free Asian countries. One of the largest shipping and air-transport centers in the Far East, it accommodates ocean and air lines of almost every country with worldwide transportation services.

Billion Dollar Trade

Hong Kong traditionally has a favorable exchange position and a reputation for sound currency; it maintains ready convertibility for international commerce. In 1955 Hong Kong had an international trade turnover of $1.1 billion. Over one-third of its exports were made on the spot with imported raw materials and equipment.

It is interesting to note that when Tangiers ceased being a free zone in 1960, roughly $50 to $100 million worth of business and trade interests promptly moved out. Gibraltar attracted a portion of this trade—among other things, almost $10 million of annual U.S. cigarette exports which formerly had used Tangiers as primary transshipment point for markets in the middle East and Africa. Cigarettes can be shipped in bulk to the transshipment point at lower cost, split up and redirected to neighboring countries without incurring customs duties until they reach the purchasing area.

Sales of U.S. soybeans to Western European countries—valued in 1960 at $151 million—are unquestionably larger because more competitive prices have resulted from lower-cost transshipment through Europe's free ports.

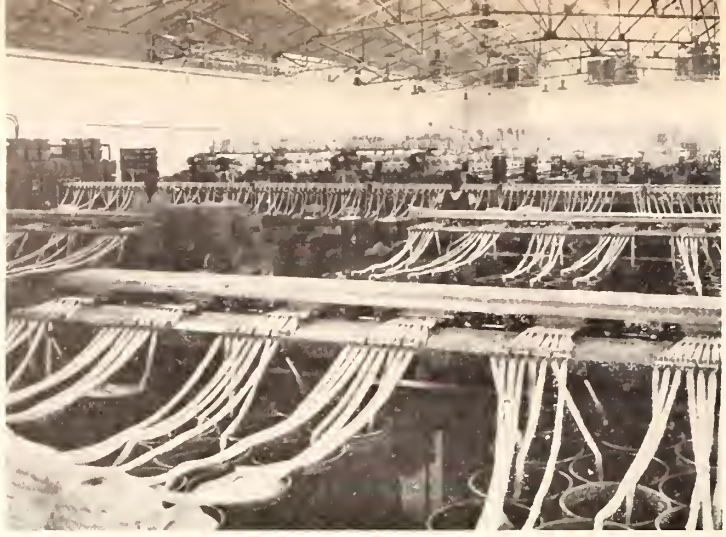
Less Red Tape

Other advantages of the free trade zone are that it reduces customs red tape on movement and inspection of merchandise—provides facilities for an extensive consignment market for dutiable raw materials and semimanufactured goods — encourages improvements in port and terminal facilities —obviates the need for advancing large sums for bonds, duty payments, and customs supervision—and simplifies and reduces customs administration.

Proponents of the zone system feel it offers a number of advantages over

(Continued on page 22)

First planted in 1931, bananas now constitute an important export crop. Above, right, up-to-date textile mill.



Ivory Coast: A Year-

Among the 17 African countries that gained their independence last year the Republic of the Ivory Coast is one of the least known. Situated just east of Liberia on the southern part of Africa's bulge, it is about half the size of Texas and, like the other West African countries, grows a variety of tropical products.

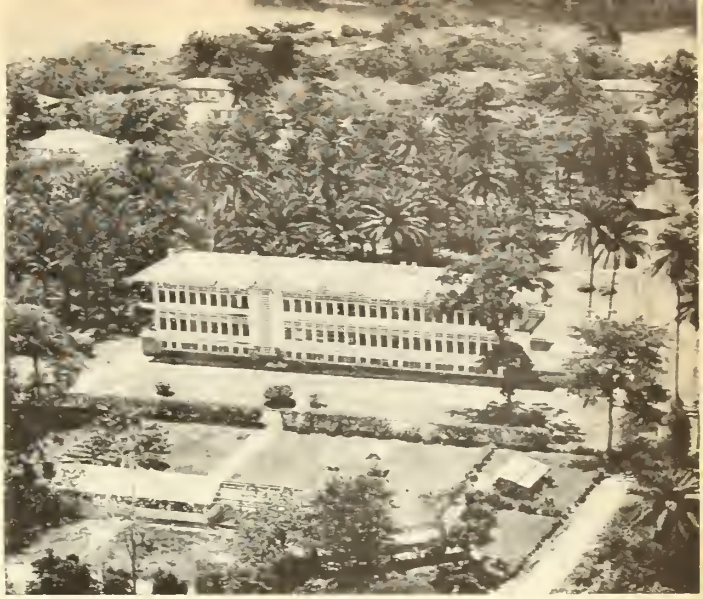
Though only a year old, the Ivory Coast is not just a struggling young republic. Its economy is sound and so is its government. Of the area that is still commonly referred to as French West Africa, it is the most highly developed and most productive section.

With its large exports of tropical products—Ivory Coast is the world's third largest coffee producer and fourth largest cacao-growing country—it normally has a favorable balance of trade. (France is the leading customer, the United States second.) The country is already embarked on its third 4-year plan, with 70 percent of its expenditures allocated to agriculture; and its new harbor at Abidjan, with dock space for some 15 ocean-going freighters, is one of the finest in Africa.

Photos, Office of Information, Republic of the Ivory Coast

With 43,000 square miles of primeval forest, the Republic earns a good share of its foreign exchange from timber.

Young workers in a pineapple-canning plant. France gets half its canned pineapple from the Ivory Coast plantations.

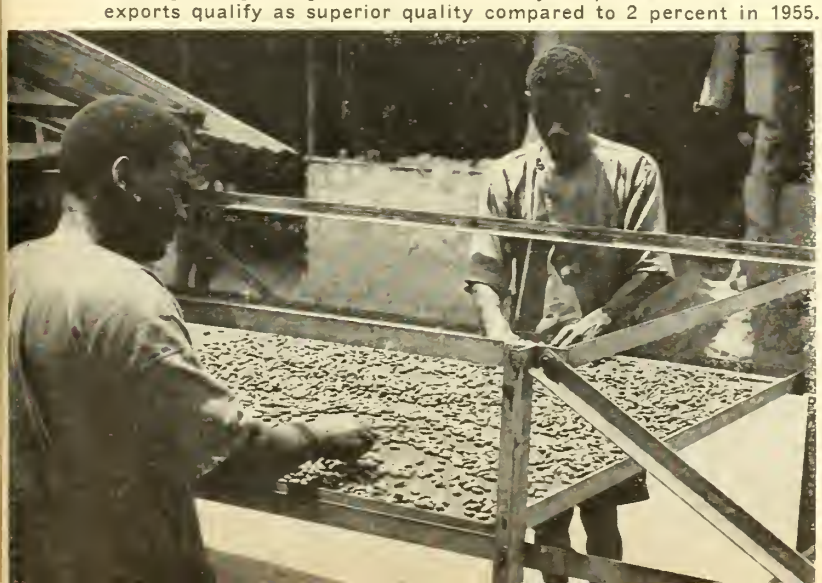


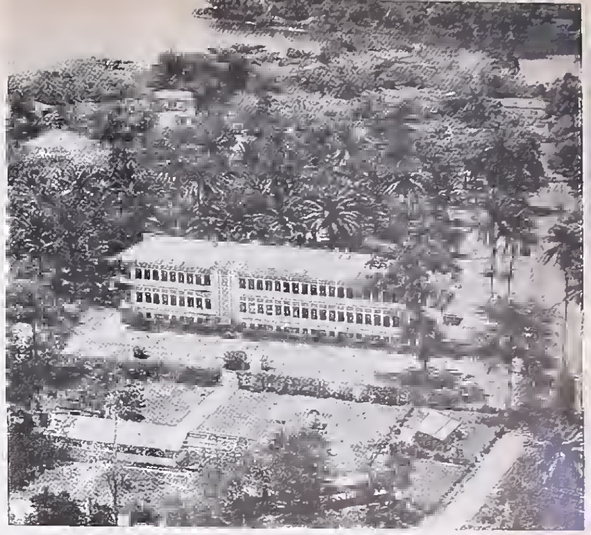
d Republic

Above left, the harbor at Abidjan, nation's capital, created by cutting a channel through the sandbar. Above right, agricultural research station at Adiopodoumé. Country has many such stations dealing with special crops.

Left, a well-tended coffee plantation and, below, picking the mature cherries. Coffee is the country's biggest export crop, valued at over $65 million in 1959.

Sorting and grading coffee beans. Today 73 percent of the coffee exports qualify as superior quality compared to 2 percent in 1955.





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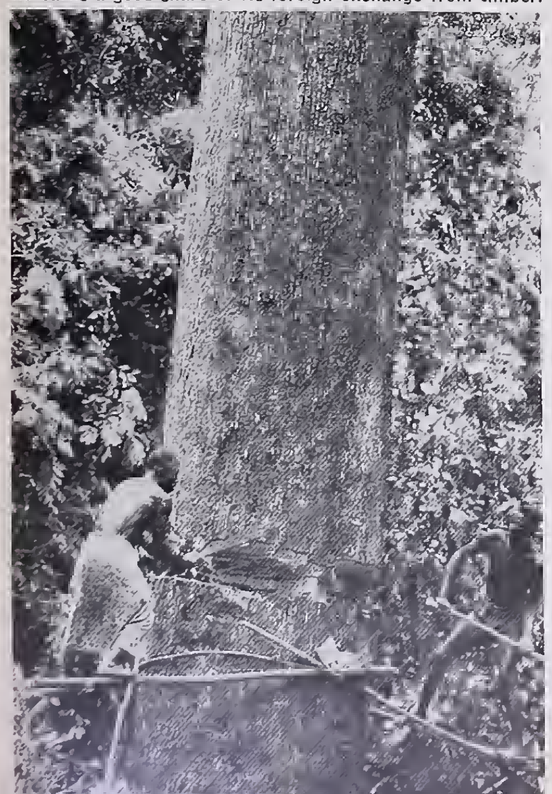

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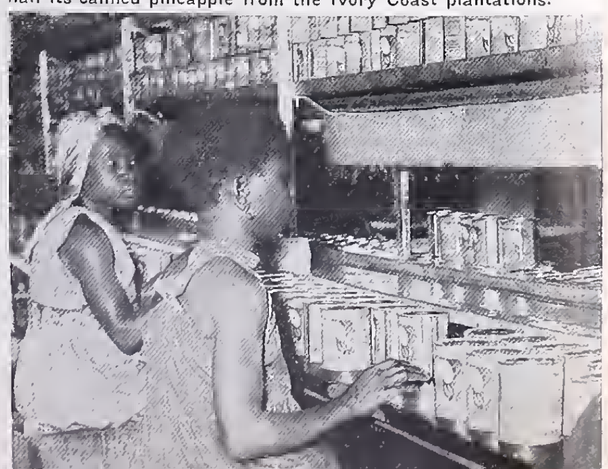
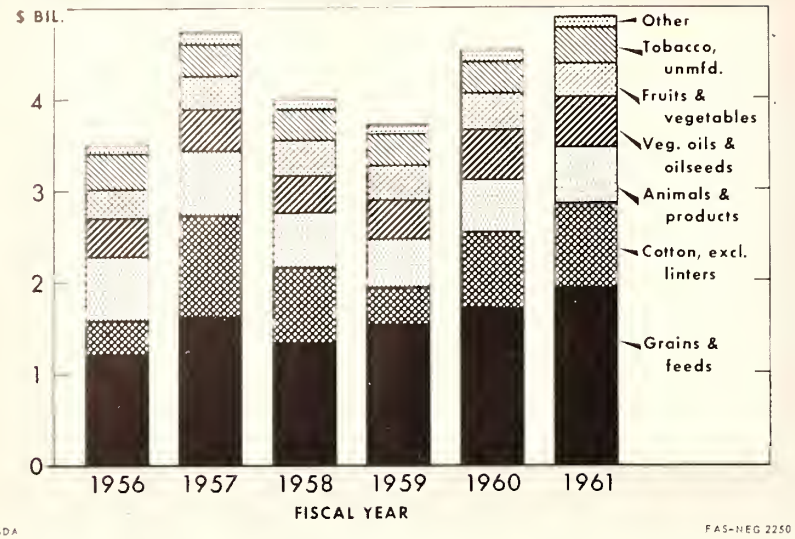


Sorting and grading coffee beans. Today 73 percent of the coffee exports qualify as superior quality compared to 2 percent in 1955.

Value of U. S. Agricultural Exports By Commodity Groups, 1956-61



New Peak in Farm Exports

Fiscal year 1961 saw shipments of U.S. agricultural products close to $5 billion—or 14 percent of our total cash receipts realized from farm marketings.

The Nation's agricultural exports in the fiscal year that ended June 30 established new records in both value and volume. The value of $4.9 billion was 9 percent above the previous year's level and 4 percent above the prior record of 1956-57, when exports were stimulated by the Suez crisis. Export volume was 10 percent larger than the previous record of 1959-60.

Last year's exports were equivalent to 14 percent of cash receipts from farm marketings. Foreign shipments accounted for about half of the domestic output of rice, cotton, and wheat; for over two-fifths of the soybeans produced; and for nearly a third of the tobacco production.

Impressive records were established in 1960-61 for wheat and flour, corn, soybeans, hides and skins, variety meats, and poultry meat.

Substantial increases in wheat and cotton exports accounted for over 90 percent of the overall gain. Increases occurred also for soybeans, tobacco, hides and skins, poultry products, and meat. Feed grains, rice, fruits and preparations, and dairy products had relatively little change in value. Major reductions in value were in animal fats, cottonseed and soybean oils, and vegetables and preparations.

Prepared in the Trade Statistics and Analysis Branch, Development and Trade Analysis Division, Economic Research Service.

More Sold for Dollars

The rise in exports was accounted for by both sales for dollars and shipments under government export programs. Exports for dollars rose to $3,400 million, equal to the previous record of 1951-52 and about $200 million above the level of 1959-60.

Dollar exports (some under export payment programs) represented nearly 70 percent of all farm exports last year. Wheat, corn, soybeans, cotton, and tobacco showed the largest increases, with smaller gains for poultry meat, variety meats, and hides and skins.

Exports under government export programs totaled $1,500 million compared with $1,314 million in 1959-60. Wheat and flour made up over half of the total in 1960-61 and accounted for nearly three-fourths of the increase, but cotton and rice also gained. A lower volume of feed grains and vegetable oils moved under government programs. These programs made U.S. farm products available to countries which were short of dollars, notably the developing countries of Asia, mostly India and Pakistan. Large quantities also went to developing countries such as UAR-Egypt, Spain, Poland, Indonesia, Brazil, and the Republic of Korea. Some of the program shipments were assisted under the export payment program, which was again instrumental in moving about half of U.S. farm exports, particularly cotton and grains.

Market Conditions Good

Both foreign and domestic development contributed to the record level of exports. Exports were greatly stimulated by the continued high level of economic activity in the industrialized nations, especially the Western European countries, Canada, and Japan. Foreign gold and dollar holdings were at a record. And the United States as usual had large quantities of agricultural products available for export at competitive prices. Japan last year became the leading foreign market for U.S. farm products, replacing the United Kingdom. Exports to Japan increased to $560 million in 1960-61 from $441 million the previous year. The United Kingdom, traditionally the best market, dropped to second place, taking $480 million compared with $474 million a year earlier.

Significant gains were made in exports to Canada, India, Italy, Poland, Spain, Pakistan, Philippines, and Taiwan. Further implementation of the trade policies of the European Common Market resulted in a decline in exports to West Germany, France, and the Netherlands. Smaller exports to Venezuela reflected its worsened balance of payments position because of reduced petroleum sales.

Cotton

U.S. cotton exports, excluding linters, increased to 7 million running bales—the second highest in over a quarter century—from 6.6 million in the previous year. Last year's shipments went mainly to Western Europe, Japan, Canada, India, and Hong Kong.

Exports were encouraged by the continued high cotton consumption abroad, the relatively low levels of

cotton stocks in other major producing countries, and the plentiful supplies of U.S. cotton available for export at competitive prices. Exports slowed somewhat in the last quarter as there were increased sales for shipment after July 31, when the payment-in-kind export rate was scheduled to go up. Most cotton exports were sold for dollars, which accounted for 5 million of the 7 million total last year.

Grains

Wheat and wheat flour exceeded the previous record by over 100 million bushels. They totaled 660 million bushels in 1960-61 compared with 511 million in the previous year and the prior record of 549 million in 1956-57.

India was the largest recipient—all under government export programs. Large program shipments were made also to other countries, such as Pakistan, Egypt, Brazil, and Poland. There was a substantial increase in dollar wheat exports to Western Europe, mainly to supplement milling supplies following the low quality of the European harvest in 1960.

Exports of feed grains (excluding products) amounting to 11.9 million short tons in 1960-61 were only slightly below the record of 12.3 million tons in 1959-60. Last year's exports of corn reached record levels while shipments of oats, barley, and grain sorghums fell below the high levels of the previous year.

Western Europe, which takes about two-thirds of the feed grain total, purchased less because of the large supply of feed wheat available from the low-quality harvest there. In addition, the United Kingdom in the latter part of 1960-61 took large quantities of barley from the USSR and France. This situation depressed the price of feed grains to the lowest point since prewar days. Exports to Asia, especially Japan, India, and Israel, increased over those of the previous year.

Rice and Tobacco

Exports of milled rice totaled 21.6 million bags in 1960-61 compared with 20.2 million in 1959-60. Lower prices reduced last year's value below that of 1959-60, but shipments remained high despite the large increase in world production, especially in Asia. About two-thirds of the rice moved under government programs.

Exports of unmanufactured tobacco amounting to 496 million pounds (export weight) in 1960-61 were 9 percent above the 457 million in 1959-60. Foreign sales were encouraged by the large 1960 crop of above-average quality, relatively stable prices for U.S. leaf, and a further rise in foreign cigarette use. Had it not been for trade barriers they might have been even greater.

Oil Seeds and Oils

Record soybean exports totaling 142 million bushels in 1960-61 were 7 million above the previous year. (This rise was limited by U.S. stocks.) Larger exports went to Belgium, West Germany, and the United Kingdom, more than offsetting lower quantities to the Netherlands and France. Japan continued to be the best foreign market for U.S. soybeans by taking about 41 million bushels last year.

Developments which contributed most to these record soybean exports were greater foreign consumption of vegetable oils, lack of soybeans for export by Communist China, and increasing use of protein meal for prepared feeds.

Soybean and cottonseed oils fell below the record level of the previous year. Exports of these vegetable oils totaled 1,264 million pounds in 1960-61 compared with 1,601 million in 1959-60. Higher prices for U.S. oils as well as apparently larger stocks in Europe tended to discourage purchasers somewhat. Also, oil shipments under government programs were smaller.

Fruits and Vegetables

Fruit exports, including fruit products, showed little change last year. At $246 million they were about the same as in the previous year. The smaller shipments of fresh oranges and apples were offset by canned and dried fruits. Exportable supplies of oranges were relatively small because of weather damage to the Florida crop, while fewer apples were marketed in Western Europe because production there was exceptionally large. Heavy exports of dried fruits reflected smaller crops in competing countries.

Vegetable exports were down 16 percent last year: $126 million as against $150 million in the previous year. Most of the decline occurred in dried beans and peas to Western Europe and Cuba. Western Europe needed fewer imports owing to its improved crop situation, while shipments to Cuba fell because of the deterioration in relations with that country and the lack of dollar purchasing power. The Cuban situation, along with the large potato crop in Canada, contributed heavily to the sharp reduction in potato exports last year.

Livestock

Exports of animals and animal products totaled $600 million in 1960-61, 3 percent above the $583 million in 1959-60. Hides and skins, poultry meat, and variety meats were stimulated by plentiful supplies available in the United States at relatively low prices and by increased foreign demand. Dairy products were about equal to the level of the previous year. Lard and tallow exports fell.

EEC May Be Able To Cover Its Grain Needs by 1970

An eminent economist of the European Economic Community has estimated that by 1970 France's "normal" grain crop could reach 33 million metric tons, compared with an average of 20 million in 1957-59. In such a case EEC's grain consumption might be covered from its own output.

These conclusions were reached in a study by Dr. D. Grupe of the Institut für Landwirtschaftliche Marktforschung (Braunschweig-Völkenrode), published in *Agrarwirtschaft*, October 1960. Dr. Grupe points out, however, that they are based on two assumptions. The first is that France's grain area will expand by 6.4 million acres, or 30 percent. This he considers "entirely possible" if price-cost relationships are favorable; the grain area had declined by nearly 10 million acres between 1913 and 1959. The second assumption is that grain yields in other EEC countries will increase by 1.6 percent a year.

Without expansion in acreage, France's "normal" output by 1970 would be about 27 million tons. In that case, Dr. Grupe considers that EEC would continue grain imports.

Accelerated Freeze Drying

--a new Irish food-processing industry

The Irish want to be first to export meat, fish, fruit, and vegetables processed in a new way—accelerated freeze drying.

The Irish Sugar Company reportedly hopes to build up a $140-million annual export trade within 10 years, mostly with England, the United States, Canada, and "tropical" countries. The company's new $630,000 AFD factory at Mallow, County Cork, now has enough "institutional" orders to absorb the first year's production.

Basically, the new process involves quick-freezing a product, so that it will retain its original shape during the drying which follows. It becomes light, hard, and porous, can then be wrapped in plastic, or put in cans—transported and stored indefinitely without refrigeration. A small amount of water returns the product to natural savor, consistency, color, and full nutritional value.

The Irish bonanza is the result of joint efforts by the British Ministry of Agriculture and the Irish Sugar Company (Comhlucht Siuicre Eireann). Research on the process began in 1945 impelled by NATO's need for a processed food that was light and easy to prepare anywhere, and would not deteriorate under difficult conditions.

Food-Processing Revolution

The first breakthrough came early in 1960 at a British Ministry of Agriculture research center near Aberdeen, Scotland. At this point, the sugar company, together with the Ministry, began experiments at its plant at Mallow, Ireland. Over 600 items were test-processed. The result was a method which many feel will revolutionize the food-processing industry.

The new business is already earmarked "for export only" to keep from interfering with domestic sales of Irish manufacturers using other processes. Actually, an important factor in AFD is that production expenses are high, more so than in traditional freezing, for instance. The farther away AFD products go, the lower comparable costs become, since expensive refrigeration is unnecessary. The new processed foods are ideal for countries where lack of adequate refrigeration facilities has prevented marketing anything but local or canned food.

Though institutional orders will keep the company busy for a while, management is planning to court the housewife with attractive packaging and aggressive marketing and promotion. The trade name "Erin Foods" has already been chosen. Within 10 years the company figures on additional factories in Europe and Africa to meet what is hoped will be the growing demand from all sides.

Principal beneficiaries of all these plans will be Irish laborers and farmers, who are in a chronic state of unemployment, or underemployment, in rural areas. The new Mallow factory now employs 60 to 70 workers, expects to have 2,000 on the rolls at the end of the 10-year period.

A Boon to Farmers

The potential for Irish farmers is great. At the present time, Ireland's No. 1 crop is grass; top exports are cattle and grain. It would not be easy, but it would be lucrative, to switch some of this green turf to the intensive farming needed to supply the new industry. Most of Ireland's farmers make a precarious living at best; of all Western European farmers, only those in Spain and Portugal realize less return per acre. Seductive indeed, then, should be news of one Irish farmer's $600-an-acre gross on currants raised for the new factory at Mallow.

Ireland's climate is ideal for vegetables and small, soft fruits like currants, gooseberries, strawberries, raspberries, and blackberries. That more of them have not been raised in the past has been due to lack of markets.

All in all, it's no wonder AFD is putting a smile in some Irish eyes.

Worldwide Activity

The quick freeze drying method is certainly not unknown elsewhere. On this side of the Atlantic too, military necessities gave the first impetus to basic research in the field. The U.S. Quartermaster Corps was, and is still, a prime mover and doer in the effort to perfect the new process.

Actually, interest in freeze drying is worldwide. Most countries are researching on one or another aspect. A number of big U.S. food companies are studying various freeze-dried products; some are test-marketing new lines and plan to go in for larger scale distribution soon. Most of them are tackling the institutional markets first, since these are better able to absorb present higher production costs, while benefiting from lower labor costs at the consumption point.

One company intends to introduce more than 40 freeze-dried meat items, including sirloin strip steaks, cubed steaks, and breaded veal steaks. Others are looking into freeze-drying fish steaks, hamburgers, bananas, pineapples, and asparagus. The only product that seems to have every one buffaloed, says one scientist, is tomatoes.

One other stumbling block, at least at outset, could be the housewife, who might feel something less than enchantment and urge-to-buy a sirloin which exhibits none of the taste-tempting features she has come to expect.

Food scientists have strings to their bows other than freeze drying. The Western Laboratory of the U.S. Agriculture Department's Agricultural Research Service is looking into "puff-drying," which uses vacuum at low temperatures to dry orange, tomato, and other fruit and vegetable juices.

Cambridge University is freeze-drying coffee extracts. A large Dutch company thinks microwave heating may be the answer in freeze drying. A West German company freezes human milk into blocks, slices the blocks into wafers, dries the wafer under high vacuum, removes the dried material, and packages it under nitrogen. The company believes it can do the same thing with cow's milk.

The factory at Mallow, County Cork, is well aware of these international efforts and achievements. The Irish merely hope to beat the competition to the commercial starting line—and get first crack at what is admittedly a worldwide market of enormous potential. And maybe, with a bit of the luck o' the Irish, they'll do it.

Planes—vital trade links in many undeveloped areas—increasingly are suspect as disease-carriers.

Animal Epidemics on the Move

Today's control methods have failed to halt the swift spread of diseases which are now menacing the livestock of Europe, the Middle East, and Asia. Will the United States be able to escape these plagues?

By NELS KONNERUP and
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The DC-3 cargo plane squatted, doors open, at one end of the narrow blacktop airstrip. Torches that had brought the plane safely down through the African night now flickered across sweat-streaked bodies as the natives unloaded crates and cartons. Villagers laughed and chattered nearby, unmindful of the insects that swarmed around the torches and whirled up into the plane's interior. When the plane took off an hour later, it may have borne cargo not listed on the manifest—African horsesickness.

Such vector-bearing planes are one explanation for the rapid spread of animal diseases now exploding throughout the world. It seems the only logical explanation for horsesickness which jumped from its South African source to Middle Eastern and Asian countries where, in 1960, the disease wiped out from 200,000 to 300,000 horses and mules. Reports the sickness had spread as far north as the Soviet Union caused British racing authorities to ban temporarily the entry of Russian jumpers in Aintree's famous Grand National Steeplechase earlier this year.

African horsesickness is not new. Nor are the other "emerging" animal diseases now wreaking such havoc across the world—African swine fever, lumpy skin, bluetongue, Rift Valley fever, East Coast fever, listeriosis, and foot-and-mouth disease. Once these diseases were more or less confined by lack of communication to certain indigenous areas, or prevented from spreading by extensive controls. Now, modern transportation and steadily increasing world trade are taking to distant places the insects and contaminated products which breed disease.

Meat, dairy products, poultry, breeding animals, and even hides, are all important media for transmitting disease. International commerce in these

Horsesickness has swept with terrifying efficiency through a wide arc of Middle Eastern and Asian countries, killing thousands of horses and mules.
Photo courtesy ICA, Iran

products is constantly expanding.

Pork products, or virus-contaminated material, from Portuguese African countries are probably responsible for the sudden epizootic of African swine fever in Portugal in 1958. Because of the disease's similarity to American, or European, hog cholera, it went unrecognized for a considerable period and spread rapidly throughout Portugal. All pigs on contaminated farms were slaughtered. Next year the fever reappeared in more serious form and 16,000 more pigs were sacrificed.

Meanwhile, the disease had crossed the border into Spain, probably because of a number of factors—open herding of swine, garbage feeding, and the sale of hog products derived from slaughtered, contaminated animals in which the disease remains virulent for a year after death.

Mass Extermination

Spanish authorities were forced to exterminate 120,000 sick, or suspected, pigs. By early 1961, Spain had spent $2 million to indemnify farmer-owners, or to set up sanitary measures to check the spread of the disease.

There is no preventive or treatment for swine fever, which causes a death rate of near 100 percent in affected animals. The economic loss, serious enough in Spain and Portugal, could have devastating effects on the major swine-producing countries of Western Europe, if the onrushing disease remains unchecked.

Infected pork from South America may have caused recent violent outbreaks of foot-and-mouth disease in nearly all major stock-producing areas of England and Scotland. Indemnity payments for slaughtered animals alone have cost the British Government more than $5 million and the disease, after 6 months' intensive control effort, remains unchecked.

Foot-and-mouth disease appears to be in one of its periodic phases of high invasiveness in Europe. Current reports place the disease in Denmark, and also in Austria, where it was probably introduced by livestock imports from Hungary.

Cuba is suspected of having foot-and-mouth disease, probably from infected meat brought in from the Soviet Bloc countries, or from South America. This puts the disease only 90 miles from the United States and poses a serious threat to our animal industry.

Diseases on the Move

Political upheavals and chaotic conditions in many areas of Africa have dispersed people and animals, bringing new diseases to areas highly susceptible and unprepared to deal with resultant epidemics.

Lumpy skin disease, a relatively new cattle plague in Africa, has recently spread from an area in East Africa to South Africa, and even past a great desert barrier in the north to Libya. This disease, in addition to direct death loss, has a significant economic influence because it renders hides, an important African commodity, unmarketable.

Rift Valley fever, East Coast fever, and listeriosis are beginning to endanger animal and human health far beyond the diseases' areas of origin.

Veterinary and agricultural authorities from Africa have warned repeatedly over the past few years that animal diseases previously well confined are on the loose. Their further spread—even to areas in the Western Hemisphere—is inevitable unless serious control efforts are undertaken

Unfortunately, most of the diseases have not been studied from an epizootiological standpoint. Factors contributing to animal epidemics—travel, animal movement, feral and vector activity, wind and water, and even malicious distribution by agents—often remain unknown quantities.

Inspection and quarantine alone, even under ideally efficient conditions, are no solution to invasion of diseases into unaffected areas. Japan, which has long maintained one of the most stringent and closely supervised inspection-quarantine systems in the world, recently suffered an outbreak of bluetongue, a serious virus affecting sheep and cattle. Probably brought into the country by breeding stock, the disease was no more halted by Japan's efficient inspection-quarantine system than the Germans by the Maginot Line.

Canada and Australia, which maintain rigid standards in order to prevent the introduction of foreign animal diseases, have both been afflicted by apparent outbreaks of hog cholera, necessitating widespread destruction of affected and exposed animals.

Elimination of disease through slaughter and disposal of carcasses has limited application even in countries financially able to support such a program. It is unrealistic to believe this could be carried out effectively by developing countries, or by areas where controls are grossly inadequate.

In most of the new nations which have replaced former colonies and protectorates, supervision over the movements of people and trade has seriously deteriorated, at least temporarily. Defensive measures against disease have been interrupted in many areas by socio-economic changes, economic status, and military movements.

New Controls Needed

The exact mode of transmission of these animal diseases is not known, nor is the exact cure for the surge of epizootics throughout the world. It is clear, however, that rapid transportation and mass movement of people and animals have made today's control methods inadequate.

In recent months international animal disease control programs—based on longer range planning and broader participation—have begun to replace short-term investigative or advisory services for affected areas.

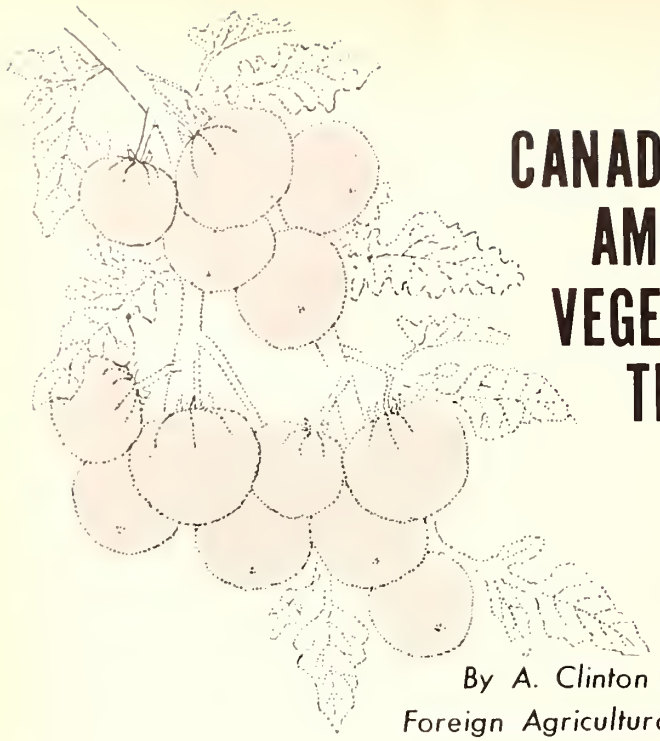
In January 1961, the Food and Agriculture Organization and the International Office of Epizootics sponsored an emergency international meeting in Paris on African swine fever and African horsesickness. The U.S. delegation agreed to participate in efforts to investigate and control these diseases. U.S. support will be channeled through its Operations Missions in various affected countries and will complement national programs.

As a result of the Paris conference, attempts are being made to contain African horsesickness by creating a "cordon sanitaire" through mass vaccinations of horses and mules in all countries bordering the affected area—Turkey, Greece, Bulgaria, India, and Eastern Pakistan. Laboratories in Iran, the United Arab Republic, Turkey, and India are producing 200,000 doses of vaccine a month to supplement supplies from South Africa, where the disease originated.

Left, complete disposal of affected animals is vital in disease control, but is difficult for poorer nations. Below, thousands of pounds of prohibited meat are burned each year to prevent spread of disease between countries.

Below, immunization by vaccination protects this piglet from hog cholera, and is an important preventive for many animal diseases. Lack of proper biologics, however, for "new" diseases is contributing to global epizootics.

Above, constant vigilance is needed to prevent spread of disease through the rapidly mounting international trade in livestock and livestock products. Transport of animals by plane and ship has shot up since World War II.



the CANADIAN-AMERICAN VEGETABLE TRADE

By A. Clinton Cook
Foreign Agricultural Service

Canada is the most important market for U.S. vegetables, buying nearly all our fresh and frozen vegetable exports. Similarly, the United States is the most important market for Canadian vegetable exports. In 1959 we bought all the fresh vegetables, two-thirds of the potatoes, one-fourth of the canned vegetables, and one-tenth of the pickle products Canada exported.

There are so few trade problems that both American and Canadian growers consider each country as a part of their normal market. There are no foreign exchange restrictions. The varieties, grades, packages, and plant quarantine regulations are similar or identical and mutually respected. The regulatory services of each country informally discuss and settle problems.

The Canadian production season is short, which affords good opportunity for trade in U.S. winter and spring vegetables. Since the border between the two countries is about 3,000 miles, it is often more economical for some Provinces to be exporting to the States at the same time that other Provinces are importing the same vegetable item

This factor is recognized in the Canadian application of seasonal import duties. The country is divided into three geographical areas: Eastern, Central, and Western. The seasonal duty may not be put into effect at all or it may be applied in only one or two areas for only a portion of the maximum seasonal period.

Fresh Vegetables. During the 1959-60 season, a fairly typical one, 95 to 99 percent of U.S. exports of green beans, cabbage, carrots, celery, lettuce, tomatoes, and melons, and 92 percent of the green peppers went to Canada. In the past decade the tonnage of fresh vegetable and melon exports increased 60 percent. The only fresh vegetable that declined was sweetpotatoes.

Our fresh vegetable imports are typically smaller than our exports, and the bulk are from Mexico and the Caribbean area. Still, a significant portion is imported from Canada. For example, Canadian rutabagas are the second largest vegetable item imported by the United States. The rutabagas are harvested in the summer and fall and shipments go on all winter from storage.

Canned and Frozen Vegetables. U.S. canned vegetables are exported to more than 50 countries, but relatively few countries take most of the tonnage. Canada is the largest single market, taking one-fourth of our total exports.

Tomato juice is one of the two largest volume exports, usually amounting to more than 1 million cases a year. Canada takes about half of it, along with almost all the canned whole tomatoes and about half the paste, puree, and other tomato products we export.

During the last decade, U.S. frozen vegetable exports increased almost 600 percent but the volume is still relatively small. Until recently, nearly all frozen vegetable exports were to Canada. However, after liberalization in the United Kingdom, there has been a substantial increase in shipments to that country.

Potatoes. Canada is the largest buyer of U.S. potatoes and, conversely, the United States is the best market for Canadian potatoes. The duties between the two countries have been equated at 37½ cents per hundredweight. However, the United States has a quota of 360,000 hundredweight of table potatoes and 1,140,000 hundredweight of seed potatoes. Above this quota, the duty is 75 cents a hundredweight.

Both countries usually maintain the same standards of quality and size specifications but these do not restrict trade. Each accepts the other's grade standards and certification.

Canada takes mostly new potatoes from the United States during the late spring and early summer. A few specialty varieties such as Russet Burbanks are shipped regularly to Canada. Imports are composed largely of seed and table potatoes from the Maritime Provinces. These potatoes are usually marketed along the U.S. east coast, with seed potatoes going mostly to the southeastern States. There is always some trading along the border, depending on which area has the most advantageous freight rate. If market prices in one country become relatively high, then imports from the other country increase sharply.

Outlook. Exports of fresh vegetables to Canada are expected to continue the upward trend of recent years, which is in line with population and economic growth. A sharp increase is expected also in the volume of exports of frozen vegetables and easy-to-prepare vegetable products, although it is doubtful that the rate of the past decade can be maintained.

As for the potato trade, it will continue wide fluctuations, depending largely on relative production and prices in the United States and Canada. Exports of dehydrated potato products may increase, but processing plants are being established in Canada.

Japan Increasingly Favors U.S. Leaf and Cigarettes

Japan became fourth largest market for U.S. tobacco in 1960 and the fastest growing market in the world for U.S. cigarettes.

This reflects not only a basic preference for U.S. tobacco, but an annual 8-percent rise in cigarette consumption—a rate almost double that of the rest of the world.

In 1960, 86 percent of Japan's leaf imports came from the United States, the remainder from Turkey, Rhodesia, and Greece. These imports represented about 5 percent of the total amount used by Japanese manufacturers. Ten years previously only 2 percent of Japan's tobacco needs had been imported. Leaf imports may well rise to 10 percent by 1965.

Japan's 39 tobacco factories—completely modern plants which cluster about Tokyo—have now been converted almost entirely to cigarette manufacture. Their total capacity for 1961 exceeds 130 billion pieces.

Because of the growing popularity of Japanese burley, Japan's tobacco exports rose to postwar highs in 1960, even though total tobacco production fell off. The Japan Monopoly Corporation is attempting to induce Japanese farmers to plant more tobacco, but even if their efforts are successful it is not likely to halt the trend toward increased use of imported tobacco, especially U.S. leaf, in cigarettes.

The Corporation, which controls the entire production, manufacture, and sale of tobacco, imported 10 times more cigarettes in 1960 than in 1959—of which about 77 percent came from the United States (principally filter-tips). Most of these cigarettes have already been sold and it is likely that large quantities will be imported during the remainder of 1961.

So far, the Japan Monopoly Corporation has cast a benign eye on the steadily increasing imports of U.S. tobacco and cigarettes. One explanation may be the $422-million profit the Corporation realized in 1960, of which $414 million was government revenue. If excise taxes paid to local governments are included, tobacco would be the source of about 10.8 percent of the central government's total revenue.

U. S.-Bred Cattle Make Fine Showing At Peru's Livestock Exposition

Front, Prof. George Werner takes off to judge a cow; back, its owner Fico Uranga talks to F.M. Lege, FAS, and U.S. breeder Paul Dirkson.

U.S. animals made an impressive display during Peru's 12th livestock show at La Molina, May 4-14. Every class for cows in milk was won by U.S. cows: the 2-year-olds took 3 out of 4 prizes, the 3-year-olds 3 out of 5, the 4-year-olds all 5, the adults 4 out of 5. U.S. animals also won the Junior Get of Sire class (with 3 of 4 prizes) and the Best Udder class.

Championships were not lacking either. Top cows in the Brown Swiss show were U.S.—the Grand Champion, Junior Champion, and Reserve Grand Champion. The Reserve Grand Champion bull was a patriarch from the U.S. Demonstration Herd at La Molina. This herd also did well in the Holstein show—7 prizes in all.

With show as background, three U. S. breeders of Brown Swiss get together for a chat: John McKittrick, Paul Dirkson, and Dale Homer. Below, Prof. Werner copes with a stubborn entry.

India-Pakistan Trade Up To Reverse Slump of '50s

Trade between India and Pakistan jumped 108 percent in 1960 over that of 1959. Indian imports from Pakistan went up 167 percent and Pakistani imports from India rose 54 percent.

This sharp increase reverses the slump in trade between the two countries following partition in 1947, which sent Indian imports from Pakistan from $229 million to $12 million between 1949 and 1959—and Pakistan imports from India from $162 million to $13 million. There is now hope that trade relations between the two countries may continue to improve.

A 2-year trade agreement signed in 1959 calls for each country to exchange $8.6 million in specified products each year. Neither country met this goal in 1960: India purchased $4.7 million less than agreed, largely because of the high price of Pakistani jute; Pakistan purchased $3.2 million less, because of strikes, transport difficulties, and shortages of steel and lumber in India.

Even so, India's total purchases from Pakistan in 1960 hit $32 million and Pakistan's from India, $20 million. Each country has agreed to add last year's shortfall in treaty commodities to scheduled purchases in 1961.

The agreement again this year specifies that along with certain other commodities India is to import from Pakistan $3.2 million of raw cotton, $2.1 million of jute, and $0.8 million of fresh fruits, plants, and seeds. Pakistani imports from India are to include $2.1 million of steel and coal and $3.2 million of cement, railroad equipment, stone boulders, and cigarette tobacco. Pakistan will also buy an unspecified amount of lumber.

New World Bank Loan for British Guiana Agriculture

A World Bank loan to British Guiana in June added $1.25 million to the colony's funds for economic development. The program, extending from 1960 to 1964, is expected to raise the value of agricultural production by one-third, the increase destined largely for export.

The Bank loan will be spent on farm machinery (especially for rice production); construction and improvement of rice mills; draglines and bulldozers to prepare new lands for cultivation; breeding stock; fencing, materials and equipment for dairy and poultry farming; expansion of logging and sawmill operations; and marine and river fisheries.

The loan will make possible the irrigation, or draining, of 200,000 acres for rice—and the addition of 10,000 "new" acres for coconuts, 5,000 for cacao, 6,000 for other crops, and 30,000 for pasture land.

Morocco Enrolls Farmers In Civil Works Program

To boost agricultural production Morocco has embarked upon a new compulsory civil service which will mobilize all available persons for the systematic development of the country. Farmers, who make up more than 80 percent of the total population, will be the core of this work force.

In announcing this new national program, Morocco's Minister of Agriculture and the Interior, Reda Guedira, spoke of the country's agricultural lag, the fact that production has not increased and that in some cases yields have actually decreased. He also referred to Morocco's high rate of population growth, resulting in 300,000 new citizens to be fed each year.

"Unless something is done to correct this situation," he said, "Morocco will soon be faced with economic and social disintegration."

Inability to utilize the labor potential of the active population, particularly in the rural areas, is held mainly responsible for this state of affairs: unemployment among farmers averages about 200 days a year. Failure to integrate the farmer in the national community is believed to be another cause. Left to himself, he concentrates solely on eking out a bare existence.

Under this new plan the farmer works for the state. Priority will be given to his own farm work, and every day devoted to his own land will be deducted from the total he owes the state. But during the slack season, varying according to local conditions, he will be called on to participate in the vast works program planned by the government, i.e., land reclamation, irrigation, pest eradication, pasture improvement, and such.

Not all of the burden will be placed on the rural people. Parallel to the seasonal mobilization of the farmers, a compulsory service will be set up for the urban population, so that the national projects may be carried on without a break while the farmers are engaged in their own activities.

Directing this new program is the newly established Higher Council for Rural and Communal Promotion, presided over by the King and composed of various Ministers and agency heads.

Free Ports of the World

(Continued from page 11)

the usual alternative — the customs bonded public warehouse. Bonded warehouses generally will not handle free goods—zones handle both free and dutiable. Goods carried into or removed from a warehouse require customs supervision. The merchandise owner must pay for customs supervision when his goods are being processed in a warehouse. Goods of foreign and domestic origin may be combined in a zone, but not in a warehouse. In the United States, for instance, goods may be stored indefinitely in a zone, but for only 3 years in a bonded warehouse. The list of such advantages is lengthy.

This is not to say that all free zones have proved successful. But when they have not, it was largely because they did not conform to a basic tenet: a free trade zone will not create commerce where there is not a natural and existing basis for it. They succeed best where they can facilitate transshipment trade where such a trade would naturally exist—such as in Western Europe and in colonial British free trade ports with strategic commercial locations.

Nor do all countries believe in the free port system. The United Kingdom has no free zones, contending the system does not necessarily bring about an increase in trade. The British believe the free zone system allows goods to be dumped and held duty free and then perhaps released on the market at a critical time, to the detriment of the country's manufacturers. They further point out that the physical features and built-up character of some ports do not allow setting aside a distinct and closely supervised free port zone.

U.S. Getting Bigger Share Of World's Cotton Trade

A greater share of the world cotton market went to the United States in the early months of the 1960-61 season than in the same period of the previous year. If the present trend continues, U.S. cotton will make up a greater portion of purchases made by major importing countries than it did in 1959-60—despite a projected decrease in the actual amount exported from 7.2 million running bales last year to 6.5 million this year.

It is estimated that the United States in 1960-61 provided about half the cotton imported by Japan, the world's largest cotton importer, and more than 90 percent of the purchases made by Canada and Sweden, large importers.

Egyptian Cigarette Makers Using More U.S. Tobacco

Egypt is using more and more U.S. tobacco as American-style cigarettes continue to increase in popularity.

Since 1956 the United States has been Egypt's greatest single tobacco source, supplying about a third of the 25 million pounds imported. Egypt's import volume has changed little in the past 10 years but the U.S. share has jumped from less than 10 percent in 1935-39 to its present position.

Mexican Cotton Exports Up But Production Drop Expected

Mexican cotton exports for the marketing year just ended increased but, in spite of this, a 6-percent decrease in cotton production is expected for the current season.

Exports for the 1960-61 season were estimated at 1.6 million bales, a 21-percent increase over the previous year, and the third largest Mexican cotton export volume on record. Domestic consumption also increased, reaching a record high of 500,000 bales, 4 percent above the previous year's record. Cotton acreage decreased from the 2.2 million acres planted in 1960 to 2.1 million acres in 1961.

As a result of the increases in exports and consumption, Mexico was expected to reduce stocks to a minimum by the end of the 1960-61 season.

U.S. Importing More Tea And From Different Places

The world's second largest tea importer, the United States last year established a 43-year record when its tea purchases reached a peak of 116 million pounds.

Last year's shipments also showed a changing pattern in U.S. tea buying. Over a million pounds were imported from South America—largely from Brazil—compared to slightly over 300,000 pounds in 1959. Ceylon, with shipments that totaled 48.3 million pounds, was still the main U.S. supplier, but both India and Indonesia declined as Taiwan's sales jumped from around 6 million pounds to 8 million. The African tea-growing countries also had a 2-million-pound sales increase, while European teas dropped 2 million.

Ireland Shipping Larger Volume of Beef to U.S.

In the last few years shipments of boneless frozen beef from Ireland to the United States have become increasingly larger, and indications are that sales will be even bigger this year.

In 1958, Ireland shipped the United States 31 million pounds of beef. In 1959, the figure rose to 43 million, and in 1960 to 56 million.

Most of this beef is used by soup, frankfurter, and bologna manufacturers and is shipped frozen from Ireland in large bulk cartons, so that it can be cut and processed without thawing. Some that arrives as individually wrapped cuts is used for hamburger meat and similar products.

U.S. Fruit Sales to Western Europe Expected to Go Up

Cold weather in major Western European apple- and pear-producing nations this past spring may result in higher U.S. sales in 1961-62. Apples appear harder hit than pears.

Production prospects for Western Europe appear half-way between last year's bumper crops—362.8 million bushels of apples and 97.6 million bushels of pears—and the especially small crops in 1959-60, when U.S. exports were nearly 2 million bushels of apples and 0.8 million of pears.

In West Germany, consistently the largest importer of these fruits, production will probably be about 60 percent of last year's for apples, 85 percent for pears. In the United Kingdom, leading U.S. apple and pear market in West Europe, the highest quality apples may be reduced one-half and cooking apples by 40 percent.

Italy, the main fruit supplier of the West European market, suffered spring damage also, but this was offset by the increased bearing area, so that it should continue as a strong competitor.

China To Halt Major Farm Exports to USSR in 1961

China's agricultural difficulties are presumed responsible for the marked absence from the most recent Sino-Soviet trade agreement of a number of farm products for some of which China has been an important source.

The trade protocol reportedly does not provide for Chinese exports to the USSR in 1961 of soybeans, peanuts, rice, meats, canned meat products, eggs and egg products, edible vegetable oils, and a number of other foodstuffs. Shipments of such farm products as cotton, bristles, and casings will be cut. Machinery and other industrials make up the bulk of Soviet exports to China.

In 1959, the last year for which figures are available, China's major exports to the USSR were 704.6 thousand metric tons of soybeans and other oilseeds, and 658.4 thousand of rice.

Last year's reported drop in exports to the USSR and the omission of key commodities from the 1961 agreement are believed to put China badly behind in debt repayment to Russia.

Danish Broiler Shipments May Rise as Output Mounts

Broiler production in Denmark almost doubled last year. This is expected to result in greater exports, especially to West Germany, the world's largest poultry importer.

However, total West German imports are also expected to increase next year and so are U.S. exports to that country. In recent years, the Netherlands, the United States, and Denmark have provided most of the more than 200 million pounds of poultry meat imported by Germany.

Drop Expected in Copra And Coconut Oil Exports

World trade in copra and coconut oil exports may decline slightly this year from the 1.14-million-ton shipments of 1960, as a result of near-drought conditions in the Philippines early this spring.

The Philippines is the world's largest exporter of both products. (Indonesia is second and Ceylon third.) The United States is its biggest market for copra, with the Netherlands second, and is by far the leading purchaser of Philippine coconut oil.

U.S. Dried Pea Exports Face Favorable Market

The United States, the world's second largest exporter of dried peas, may find an improved market this year as 1961-62 crop reports from other leading exporters show production off.

The yield per acre in the Netherlands, Europe's biggest exporter, is 25 percent below last year's, as it is in the United Kingdom, which with the Netherlands normally produces more than half the European crop.

One barrier to better sales for the above-average crops U.S. growers are expecting this year may be carryover stocks in Europe, not only of dried peas, but of canned fresh peas which are cheaper than usual.

Pork Exports to Jamaica To Need Special License

Pork and pork products imported into Jamaica from any source other than The West Indies now require a specific import license.

Principal sources of these meats are Canada, the United States, and to a smaller extent, New Zealand. In 1960, the United States sold Jamaica $441,000 of pork products, $12,000 of pork.

Belgium Lifts Special Tax On Pork Product Imports

U.S. pork exports to Belgium may increase now that that nation has lifted its special import tax.

When Belgium removed quantity restrictions on pork imports, in July 1960, a 1.6-cent-per-pound tax was placed on all imported pork products except variety meats. This tax is to be removed but a 12-percent ad valorem duty remains on pork imported from countries without the European Economic Community.

Belgium is a small U.S. pork market, taking only $15,924 worth in 1960.

Australian Fruit Trade Granted Tax Concessions

Australian canned fruit exporters were granted tax concessions, effective July 1. These concessions are designed to stimulate export trade through increased promotional activity. More competition is expected for U.S. exporters from the nation that is already their strongest competitor.

A drive is expected to increase Australia's share of the continental European market, and Canada appears to be another major Australian target.